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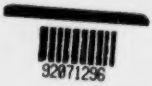

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SECURITY AND EXCHANGE COMMISSION
Washington, D.C. 20549

BEST COPY AVAILABLE

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended January 31, 1992 Commission file number 0-11563

LDB Corporation
(Exact name of registrant as specified in its charter)

TEXAS	59-0263460
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

444 SIDNEY BAKER SOUTH, KERRVILLE, TEXAS 78028
(Address of principal executive offices and Zip Code)

(512) 257-2000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding at March 12, 1992
Common Stock, par per share	1,848,370

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FORM 10-Q QUARTERLY REPORT

LDB CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION - FORM 10-Q

LDB CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JANUARY 31, 1992, and JULY 31, 1991

(Note 1)

	January (Unaudited)	July (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$8,603,854	$4,524,258
Marketable securities (Note 2)	5,200,015	5,494,188
Accounts and notes receivable,	741,352	1,207,221
Inventories	356,364	344,434
Prepaid and other assets	578,779	1,302,494
Total current assets	15,480,364	12,872,595
NET PROPERTY AND EQUIPMENT	20,487,565	22,780,982
OTHER ASSETS:		
Cost in excess of net assets of acquired business	7,269,885	7,408,359
Notes receivable	203,577	264,599
Other investments	150,000	150,000
Miscellaneous	1,203,527	1,225,652
Total other assets	8,826,989	9,048,610
	$44,794,918	$44,702 187
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt and capital lease obligations	$8,639,547	$8,330,198
Accounts payable	5,963,966	5,123,606
Accrued expenses	8,095,146	7,676,717
Note purchase liability	5,825,959	5,631,849
Total current liabilities	28,524,618	26,762,370
DEFERRED CREDITS AND OTHER LIABILITIES	3,637,898	3,638,466
LONG-TERM DEBT	1,341,468	1,332,834
CAPITAL LEASE OBLIGATIONS	1,595,438	1,992,019
STOCKHOLDERS' EQUITY:		
Preferred stock, 1,000 shares issued and outstanding stated at par value (liquidation preference-$5,000,000)	-	-
Common stock, $5 par value - authorized 40,000,000 shares; issued and outstanding 2,292,521 shares	11,462,607	11,462,607
Paid-in capital	22,643,588	22,643,588
Retained earnings (deficit)	(15,739,229)	(14,465,482)
Treasury stock - common, at cost: 424,151 shares at July 31 and 444,151 shares at January, 31	(8,679,470)	(8,654,215)
Total stockholders' equity	9,695,496	10,986,498
	$44,794,918	$44,702,187

See accompanying notes to consolidated financial statements.

PART I. FINANCIAL INFORMATION - FORM 10-Q
LDB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS ENDED
JANUARY 31, 1992 AND 1991
(UNAUDITED) (NOTE 1)

	THREE MONTHS ENDED JANUARY 31,		SIX MONTHS ENDED JANUARY 31,	
	1992	1991	1992	1991
REVENUES:				
Net sales	$10,606,593	$14,379,691	$21,997,162	$29,454,131
Royalties and other	1,166,932	1,201,121	2,692,258	2,677,398
Total revenues	11,773,525	15,580,812	24,689,420	32,131,529
COSTS AND EXPENSES:				
Cost of sales	6,032,336	8,279,706	12,500,212	17,287,141
Selling, general, and administrative	5,846,936	8,418,601	13,116,942	16,184,843
Net investment (income) loss	(323,902)	(1,066,452)	(1,203,242)	2,797,807
Interest expense	228,549	477,204	648,791	999,135
Realignment expense	746,464	-	896,464	-
Total costs and expenses	12,530,383	16,109,059	25,959,167	37,268,926
INCOME (LOSS) BEFORE INCOME TAXES	(756,858)	(528,247)	(1,269,747)	(5,137,397)
PROVISION FOR INCOME TAXES	(6,217)	-	-	-
NET INCOME (LOSS)	($750,641)	($528,247)	($1,269,747)	($5,137,397)
NET INCOME (LOSS) PER COMMON SHARE (Note 3)	($0.41)	($0.34)	($0.69)	($2.87)
WEIGHTED AVERAGE SHARES OUTSTANDING	1,848,370	1,868,370	1,853,370	1,868,370

See accompanying notes to consolidated financial statements.

PART I. FINANCIAL INFORMATION - FORM 10-Q

LDB CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JANUARY 31, 1992 AND 1991

(UNAUDITED)

	1992	1991
CASH FLOWS - OPERATING ACTIVITIES:		
Net income (loss)	($1,269,747)	($5,137,397)
Adjustments:		
Depreciation and amortization	1,465,085	2,496,738
Cash provided (used) due to changes in working capital other than cash, securities and debt	2,664,761	(5,091,725)
Realized security (gains) losses	1,269,945	2,958,786
Marketable security valuation reserve	(2,235,360)	88,150
Realignment provision	896,464	-
Other	469,296	(32,954)
	3,260,444	(4,718,402)
CASH FLOWS - INVESTING ACTIVITIES:		
Purchases of property and equipment	(255,438)	(1,214,917)
Disposals of property and equipment	606,233	382,522
Purchases of marketable securities	(1,022,024)	(58,159)
Sales of marketable securities	2,281,612	6,309,382
Decrease (increase) in long-term notes receivable	(133,185)	-
Other	(22,686)	(415,795)
	1,454,512	5,003,033
CASH FLOWS - FINANCING ACTIVITIES:		
Purchase of common stock	(21,255)	-
Increases in debt	343,476	207,641
Decreases in debt	(412,075)	(917,721)
Payment of realignment liabilities	(545,506)	(170,386)
	(635,360)	(880,466)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,079,596	(595,835)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	4,524,258	2,492,595
CASH AND CASH EQUIVALENTS END OF PERIOD	$8,603,854	$1,896,760
INTEREST PAID	$312,307	$764,112

See accompanying notes to consolidated financial statements.

PART I. FINANCIAL INFORMATION - FORM 10-Q
LDB CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JANUARY 31, 1992 AND 1991
(UNAUDITED)

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1. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly LDB Corporation and Subsidiaries' financial position as of January 31, 1992 and 1991 and the results of its operations and changes in cash flow for the six months ended January 31, 1992 and 1991. The results of operations for the six months ended January 31, 1992 and 1991 are not necessarily indicative of the results to be expected for the full year.

   The accounting policies followed by the Company are set forth in the Company's financial statements in its 1991 Form 10-K.

2. Marketable securities in the accompanying balance sheet consist of the following:

	January 31, 1992	July 31, 1991
Original cost	$13,594,000	$16,123,000
Less permanent impairment.....	(8,394,000)	(8,394,000)
Less adjustment for market declines	-	(2,235,000)
	$ 5,200,000	$ 5,494,000

3. Earnings per common share for the three months and six months ended January 31, 1992 and 1991 are based upon the weighted average shares outstanding for each period. For 1991 net income has been reduced for preferred dividends of $112,500 for the quarter and $225,000 for the six month period. Preferred dividends have not been declared or paid subsequent to July 31, 1990. See discussion of "Liquidity and Capital Resources" on Page 7.

4. On October 10, 1991, the Company's principal operating subsidiary, Mr. Gatti's, Inc. filed for relief under Title 11, Chapter 11 of the United States Code in the United States Bankruptcy Court for the Western District of Texas, Austin Division. Refer to Form 10-k for the fiscal year ended July 31, 1991, Item 1, Business and Note 14.

PART I. FINANCIAL INFORMATION - FORM 10-Q
LDB CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS
ENDED JANUARY 31, 1992 AND 1991
(UNAUDITED)

Liquidity and Capital Resources

Refer to Form 10-K for the fiscal year ended July 31, 1991, Item 7, Liquidity and Capital Resources and Notes 10 and 14. As previously reported, the Company had received demand under its note purchase obligation and suit had been filed in district court, Dallas County, Texas. In February 1992, this obligation was converted to a $5,000,000 collateralized note, the Series K Preferred Stock retired, and the litigation dismissed. Mr. Gatti's, Inc. has filed a voluntary petition under Chapter 11 of the Federal Bankruptcy Code. Mr. Gatti's must resolve bank debt terms and obtain court confirmation prior to emerging from bankruptcy.

At January 31, 1992 the Company and its subsidiaries had $11,187,000 in cash and marketable securities after deducting amounts due brokers compared to $6,795,000 at July 31, 1991. The increase was the result of cash provided by operations and the increase in payables due to Mr. Gatti's, Inc.'s Chapter 11 reorganization filing. Approximately $3,600,000 of accounts payable and accrued expenses relate to liabilities of Mr. Gatti's, Inc., which are expected to be payable after confirmation of its plan of reorganization. The ratio of current assets to current liabilities was .5 at January 31, 1992 and July 31, 1991.

Capital expenditures for the six months ended January 31, 1992, amounted to $255,000 compared to $1,215,000 for 1991. Capital expenditure commitments at January 31, 1992, were not significant.

Results of Operations for the Quarter ended January 31, 1992, compared to the Quarter ended January 31, 1991.

Revenues for 1992 amounted to $11,774,000 as compared to $15,581,000 in 1991, a decrease of $3,807,000 or 24.4%, primarily attributable to the closing and franchising of Company stores.

Cost of sales for 1992 amounted to $6,032,000 compared to $8,280,000 in 1991. Cost of sales as a percent of sales was 56.9% for 1992 as compared to 57.6% in 1991.

Selling, general and administrative expenses amounted to $5,847,000 in 1992 compared to $8,419,000 in 1991.

Net investment (income) loss included in the statement of income for the quarter ended January 31, 1992 and 1991 was as follows:

	1992	1991
Dividends and interest income	$(115,000)	$(118,000)
Realized Security (gains) losses	677,000	2,150,000
Unrealized security (gains) losses	(886,000)	(3,098,000)
Net investment (income) loss	$(324,000)	$(1,066,000)

During fiscal year 1988, Company management initiated a review of its restaurant operations in conjunction with a major realignment plan. As part of this realignment program, the reserve was increased by $746,000 during the quarter ended January 31, 1992, for locations to be closed or franchised and locations where asset values are permanently impaired.

For 1992, no provision for federal income taxes has been recorded as a result of the Company's net operating loss carryforwards. At January 31, 1992, the Company had net operating loss carryforwards for financial accounting purposes of approximately $39,500,000.

Results of Operations for the Six Months ended January 31, 1992 Compared to the Six Months ended January 31, 1991.

Revenues for 1992 amounted to $24,689,000 compared to $32,132,000 in 1991, a decrease of $7,443,000 or 23.2% primarily attributable to the closing and franchising of Company stores.

Cost of sales for 1992 amounted to $12,500,000 compared to $17,287,000 in 1991. Cost of sales as a percent of sales was 56.8% for 1992 as compared to 58.7% in 1991.

Selling, general and administrative expenses amounted to $13,117,000 in 1992 compared to $16,185,000 in 1991, a decrease of $3,068,000.

Net Investment (income) loss included in the statement of income for the six months ended January 31, 1992 and 1991 is as follows:

	1992	1991
Dividends and interest income	$(238,000)	$(249,000)
Realized Security (gains) losses	1,270,000	2,959,000
Unrealized Security (gains) losses	(2,235,000)	88,000
Net Investment (income) loss	$(1,203,000)	$ 2,798,000

PART I. FINANCIAL INFORMATION - FORM 10-Q

LDB CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JANUARY 31, 1992 AND 1991

(UNAUDITED)

The following table sets forth certain information relating to the Company's operations.

	Three Months Ended January 31,		Six Months Ended January 31,	
	1992	1991	1992	1991
	(Amounts in thousands)			
REVENUES:				
Restaurant Operations:				
Mr. Gatti's Restaurant Sales	$10,606	$14,380	$21,997	$29,454
Covered Dian Restaurant Sales	-	-	-	-
Royalties	766	743	1,598	1,539
Other	401	458	1,094	1,139
	$11,773	$15,581	$24,689	$32,132
EARNINGS (LOSS) BEFORE INCOME TAXES:				
Restaurant Operations:				
Franchise and operation of Restaurants - Mr. Gatti's	($562)	($29)	($350)	($41)
Operation of Covered Dian Restaurant	-	(114)	-	(150)
	($562)	($143)	($350)	($191)
Investments:				
Realized Gains and (Losses) on Marketable Securities	(677)	(2,150)	(1,270)	(2,959)
Unrealized Gains and (Losses) on Marketable Securities	886	3,098	2,235	(88)
Dividends/Interest/Other	115	116	238	249
Goodwill Amortization	(70)	(68)	(139)	(139)
Total Investments Income (Loss)	254	997	1,064	(2,937)
Total Operations Before General, Administrative, & Other	(308)	854	71	(3,128)
General, Administrative and Other	(443)	(1,382)	(1,984)	(2,009)
TOTAL LOSS BEFORE INCOME TAXES	($751)	($528)	($1,270)	($5,137)
CAPITAL EXPENDITURES:				
Mr. Gatti's Restaurants	$106	$554	$284	$1,209
Corporate/Other	-	1	1	6
	$106	$555	$285	$1,215
DEPRECIATION and AMORTIZATION:				
Mr. Gatti's Restaurants	$599	$1,139	$1,214	$2,252
Corporate/Other	125	100	251	245
	$724	$1,239	$1,465	$2,497
IDENTIFIABLE ASSETS:				
Mr. Gatti's Restaurants			$21,850	$26,161
Corporate/Other - Investments			5,376	5,552
- Goodwill			7,270	7,547
- Other Assets			10,299	19,440
			$44,795	$59,700

Item 6(b) Reports on Form 8-K.

The registrant did not file a current report on Form 8-K during the second quarter of fiscal 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LDB Corporation
(Registrant)

DATE: March 12, 1992

Byron C. Smith
BYRON C. SMITH
Executive Vice President
Administration

DATE: March 12, 1992

Charles C. Thomas
CHARLES C. THOMAS
Controller